(c) whether the interest rate on the National Savings Scheme has not been revised since the year 2003;

(d) if so, whether the low interest rate is causing the low collection rate; and

(e) if so, whether Government consider an upward revision of the interest on the scheme, if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The National Savings Scheme, introduced with effect from 1st October, 1992, was discontinued with effect from 1st November, 2002. No deposits can be made under the Scheme on or after 1st day of November 2002.

(c) to (e) Does not arise.

Increase in rate of interest on home loan

957. SHRI VEDPRAKASH P. GOYAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to increase the rate of interest on home loan;

(b) if so, the reasons therefor;

(c) whether Government have any strategy to reduce rate of interest in future for the benefit of homeless and middle class; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) With effect from October 18, 1994, Reserve Bank of India (RBI) has deregulated the interest rates on advances above Rs.2 lakh and the rates of interest on such advances are determined by the banks themselve with the approval of their Boards. Banks have been advised to fix their Benchmark Prime Lending Rate (BPLR) after taking into account cost of funds, transaction cost, risk factor, margin and other overhead expenses.

Internal debt trap

958. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the country is on the verge of getting into an internal debt trap;

(b) if so, the details thereof and its projected effects on the economy;

(c) whether the ratio of debt to revenue receipts is a growing concern for the country with a rise in the internal debt, if so, the reasons therefor; and

(d) the corrective measures required for correcting this anomaly?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No, Sir. There is no fear of the country getting into an internal debt trap.

(c) No, Sir. The ratio of internal debt of the Central Government to revenue receipts is continuously declining as shown in the table given below:

Year (end-March)	Internal liabilities of Central Government	Revenue Receipts of Central Government	Ratio of Internal liabilities to Revenue Receipts
	(Rs. crore)		(per cent)
2003-04	1,690,554	263,813	640.8
2004-05	1,933,544	305,991	631.9
2005-06	2,165,902	347,462	623.3
2006-07 (RE)	2,434,329	423,331	575.0
2007-08 (BE)	2,633,197	486,422	541.3

Source: Receipts budget of Central Government, 2007-08

(d) In order to moderate the debt/liabilities burden, Government of India has been following a comprehensive strategy which includes:

1. Reduction in fiscal deficit in a phased manner as per Fiscal Responsibility Budget Management Act, 2003.
2. Obtain fresh debt at minimum costs.
3. Reduce carrying cost of outstanding debt burden through debt restructuring measures such as:

- Buyback of high coupon Government securties contracted during the earlier high interest rate regime.
- Utilisation of receipts under States Debt Scheme to repay high coupon special securities to National Small Savings Fund (NSSF).
- Repayment of high cost external loans from bilateral as well as multilateral sources. External debt in excess of USD 6 billion have been prepaid during Fiscal Year 2002-03 and 2003-04 to World Bank, ADB and many bilateral sources.

Import of currency note paper

959. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that currency note paper is being imported, if so, the names of the countries from where it is imported;

(b) whether the cost of the imported paper is more than the currency note, if so, how much;

(c) whether the Central Government are taking serious steps to produce such paper in the country, if so, the details thereof; and